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REMARKS

Claims 1-25 are pending in the application. Claims 1 and 16 have been amended herein. Favorable reconsideration of the application, as amended, is respectfully requested.

Claims 1-25 are pending in the application. Amendments to claims 1 and 16 have been submitted for entry after final. These amendments include correction of typographical errors contained in claim 1 and incorporation of a part of claim limitations recited in claim 22 into independent claim 16. It is respectfully submitted that the claim amendments raise no new issues and would simplify issues for appeal. The material added by amendment was present in claim 22. Thus, the amendments are not believed to raise new issues which would require further consideration and/or search. Favorable reconsideration of the application, as amended, is respectfully requested.

I. ALLOWABLE SUBJECT MATTER

Applicants acknowledge with appreciation the allowance of claims 1-15, and 18-23. Applicants believe that other pending claims are also in condition for allowance for at least the reasons set forth below.

II. REJECTIONS OF CLAIMS 16, 17, 24, AND 25 UNDER 35 U.S.C. § 103

Claims 16, 24, and 25 stand rejected under 35 U.S.C. § 103(a) based on a combination of U.S. Patent No. 5,898,833 (Kidder), U.S. Patent No. 6,195,388 (Choi), U.S. Patent No. 6,259,733 (Kaye), and U.S. Patent No. 6,226,328 ("Assuncao"). Claim 17 stands rejected under 35 U.S.C. § 103(a) based on a combination of Kidder, Choi, Kaye, Assuncao, and U.S. Patent No. 6,205,151 (Quay). These claims are believed to be allowable for at least the following reasons. Withdrawal of the rejection is respectfully requested.

Independent claim 16 has been amended to further clarify one of the aspects of the invention. Specifically, claim 16 requires "at least one of the plurality of channels of bit streams is a data stream that is not re-encoded." Support for the amendment is found at, for example, page 14, line 13 - page 15, line 16; and page 29, line 3 - page 30, line 13 of the present specification. No new matter has been introduced by the amendment.

Applicants believe that nothing in the cited references teaches or suggests the aboveidentified feature recited in independent claim 16. It is respectfully submitted that none of the
cited references teach or suggest reducing the bit rate by re-encoding for a selected channel
based on whether the sum of the bits rates for the plurality of channels is greater than a threshold
bit rate, and the plurality of channels include at least one channel of a bit stream which is not reencoded. In other words, nothing in the cited references teaches or suggests the claimed bit rate

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reducing technique by utilizing partial re-encoding among the plurality of channels (i.e., "at least one of the plurality of channels ... is ... not re-encoded" as claimed).

Therefore, amended independent claim 16, and its dependent claims 17, 24, and 25 are believe to be allowable over the cited art. Withdrawal of the rejections is respectfully requested.

III. CONCLUSION

Applicants believe that all pending claims are in condition for allowance, and respectfully request a Notice of Allowance at an early date. If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 510-843-6200, ext. 245.

Respectfully submitted, BEYER WEAVER & THOMAS, LLP

Haruo Yawata

Limited Recognition under 37 CFR § 10.9(b)

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Expires: August 28, 2004

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Director of Enrollment and Discipline